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Congress of the United States
House of Representatives

July 13, 2005

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Mr. R. Bruce McLean
Akin Gump Strauss Hauer & Feld LLP
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Dear Mr. McLean:

I write today in response to a packet of information I received in late June, which included a letter from the chief executive officer of China National Offshore Oil Corporation Ltd. (CNOOC) peppered with assurances, aimed at easing growing congressional concern, that CNOOC's bid to "merge" with Unocal Corp. of California was in fact friendly. I must say in all candor that I was shocked that the packet arrived courtesy of Akin Gump – one of Washington's most distinguished and reputable lobbying and law firms.

Having worked in Washington for over three decades, I understand that lobbying is part and parcel of everyday life in the nation's capital. Every day, good people walk the halls of Congress making the case for their constituency, advocating on any number of issues and causes with great passion and insight. That said, when I noted that CNOOC was one of your newest clients, I immediately thought, "Is there no bright line to separate who the lobbyists in Washington will or will not represent?"

A critical part of the discussion recently surrounding the free market, charges of protectionism and the politicization of trade within the context of CNOOC's takeover bid for Unocal is that CNOOC is not a private foreign company. CNOOC is a Chinese state-run entity – 70 percent state-owned. At the end of the day, it has to be obvious that any decisions on the issues of energy, economic and ultimately national security regarding the operations of this company will be based on what is advantageous to the Chinese Communist government. It is noteworthy that a Pentagon report released in January by the Office of Net Assessment has warned that China's need for oil, gas and other energy resources appears to be driving the country toward becoming an expansionist power.

As Irwin Stelzer with the Hudson Institute recently wrote, "China has decided to use its state resources to convert its major companies into important multi-nationals—part of an aggressive policy of projecting Chinese power on a global basis. If that's not political, nothing is....That policy is most noticeable in oil markets. China's acquisition of Unocal's substantial Asian assets will increase its political influence in that part of the world."

But we need not look to "inside the Beltway" policy analysts for insight into China's global ambitions. Chen Yonglin, the high ranking Chinese defector with intimate knowledge of China's worldwide intelligence gathering efforts, has said, "The United States is considered by the Chinese Communist Party as the largest enemy, the major strategic rival."

I recall with great irony the heated annual debates in Congress surrounding Most Favored Nation trade status and ultimately Permanent Normal Trade Relations for China. The coalition that battled

Mr. Bruce McLean

July 12, 2005

Page 2

granting China this privilege faced an almost certain perennial loss. Even so, it served as a valuable forum in which to highlight just what kind of a country we are dealing with in China. The list of egregious actions laid at the feet of the Communist government of the People's Republic of China is long and spans decades — human rights abuses, religious persecution including torture and imprisonment, slave labor practices, forced sterilization, espionage operations against U.S. businesses, software piracy and intellectual property theft, military spying. At the time many argued with tremendous passion, business interests foremost among them, that trade with China would change China, not the other way around.

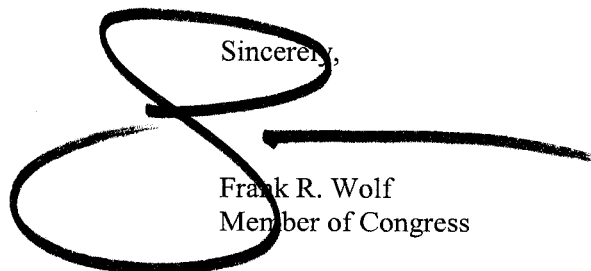
But recent reports have painted a grim picture of the purported "information age" in China. Chinese bloggers who have the audacity to type in words like "freedom," "democracy," or "human rights" receive a message, courtesy of Microsoft software, that says, "Prohibited language in text, please delete." It seems China is changing us after all.

And the change is perhaps no where more apparent than in the willingness of American companies and lobbyists to do the bidding of the Chinese government — a government which despite increased "engagement" over the last several years continues to pose a national security threat, blatantly disrespects free trade norms, persistently violates human rights, consistently stifles political dissent and is indiscriminate in its repression, arrest and torture of varied faiths targeting the Uygher Muslim population, the underground Protestant and Catholic house churches, the Tibetan Buddhists and the Falun Gong spiritual movement.

I am left to wonder if it was Akin Gump which counseled CNOOC, and ultimately the Chinese government, to first caution President Bush not to politicize the Unocal takeover bid, and then warn Congress to "correct its mistaken ways of politicizing economic and trade issues and stop interfering in the normal commercial exchanges between enterprises of the two countries."

Ultimately, I question the appropriateness of an American firm advising and being on the payroll of the Chinese government. In my opinion, their interests, and all which that encompasses, are simply not deserving of your representation and only serve to degrade the strong reputation for integrity your firm has enjoyed over the years.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of a large loop at the top and a horizontal stroke extending to the right.

Frank R. Wolf
Member of Congress

FRW:eab

P.S. During the presidency of Ronald Reagan, no major law firm or lobbying organization would have represented the Soviet Union if it had tried to take over an American oil company.